

Together with Employees

Sustainability Material Issue 3-7



Basic Approach

One of the growth strategies of Lion's Vision2030 is "Generate dynamism to realize innovative change." Under this strategy, we aim to have all employees spurring on one another in their respective growth processes and operating as autonomous individuals in order to generate waves of innovative change; that is, dynamism, across the organization as a whole. To do so, we are promoting corporate branding based on understanding of and resonance with our purpose—make a difference in everyday lives by redesigning habits: ReDesign—to help employees feel real value in working for Lion, thus improving employee engagement. Furthermore, in addition to our efforts to create employee-friendly workplaces from the perspective of human resource development—in everything from hiring to training, compensation and the fostering of healthy habits—we also aim to increase productivity and create new value by instilling a sense of professional fulfillment in every employee.

Through further advancement of corporate branding and LION Professional Fulfillment Reforms*, we are helping employees fully display their diverse capabilities to form a collective of human resources that will embody our purpose. In this way, we will continue to transform for sustainable growth.

* Initiatives to increase the professional fulfillment of each and every employee, develop personnel who generate new value and improve labor productivity.

Overview

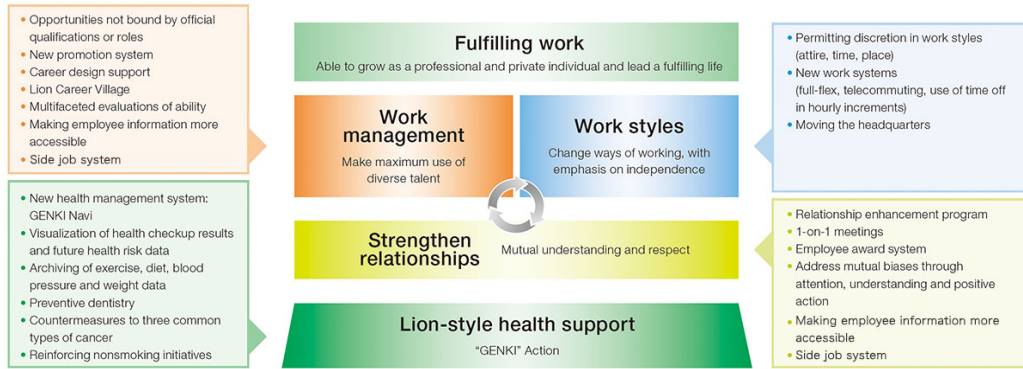
We are advancing a variety of initiatives rooted in the common approach of activating individuals and organizations. In addition to efforts to enable diverse human resources to succeed, promote diverse work styles and develop independent human resources, we aim to realize better workplace environments by maintaining and enhancing labor-management relations, health and safety (Figure 1).

Furthermore, via the Lion Professional Fulfillment Reforms, we are offering a wide range of options and opportunities for employees based on four overarching themes aimed at making maximum use of diverse talent. By doing so, we are working to create environments that allow employees to utilize their own strengths, find the work styles that best suit them and better coordinate with others (Figure 2).

Figure 1. Initiatives to Activate Individuals and Organizations



Figure 2. Lion Professional Fulfillment Reform Framework



Initiatives



Developing Human Resources



Promoting Work-Life Enrichment



Promoting Diversity and Inclusion



Improving Employee Health



Enhancing the Occupational Safety Management System



Labor-Management Relations

Developing Human Resources

Sustainability Material Issue

Developing Human Resources

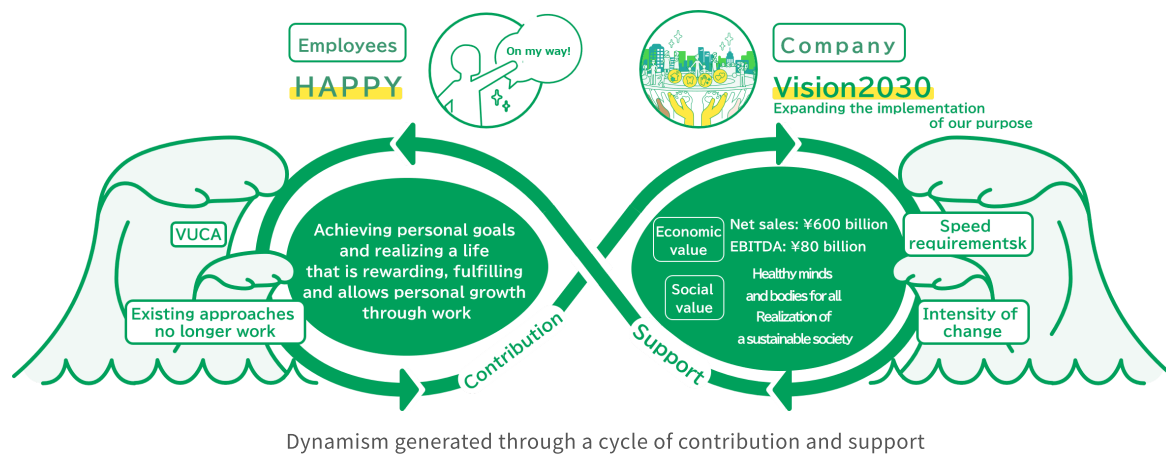


- ✓ Approach ✓ Lion's Ideal Human Resources
- ✓ Human Resource Development to Support Career Autonomy ✓ Career Autonomy Support Measures
- ✓ Human Resource Development Programs

Approach

The core concept of the Lion Group's human resource development is to generate human resources who proactively think and take action regarding their careers, work and work styles and engage in their work productively.

To put our purpose, "Make a difference in everyday lives by redesigning habits: ReDesign," into action, it is essential that each and every one of our employees is able to achieve a clear sense of professional fulfillment as well as ongoing personal growth and self-realization. We aim for all employees to operate as autonomous individuals, spurring one another on in order to generate dynamism across the organization as a whole. In this way, we seek to become an advanced daily healthcare company and contribute to the realization of healthy minds and bodies for all consumers.

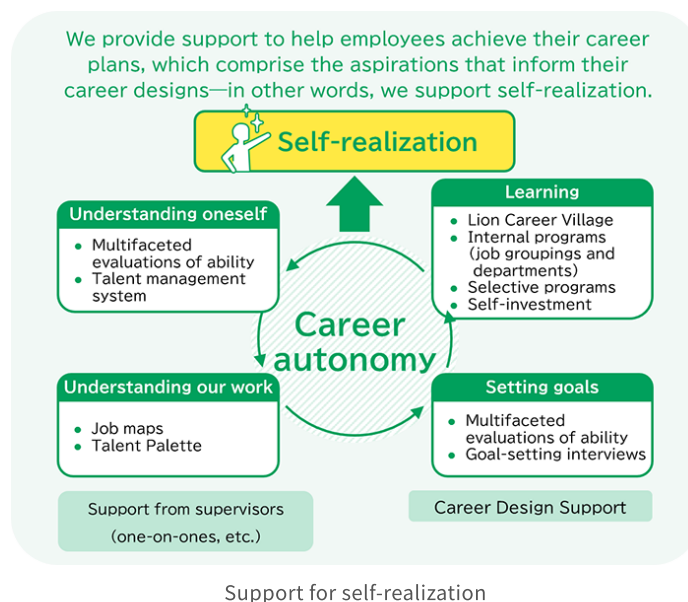


Dynamism generated through a cycle of contribution and support

The Lion Group strives to foster habits that allow employees to feel secure and take on challenges so that they can realize career autonomy and exercise their diverse abilities. By doing so, we aim to develop human resources who generate innovative dynamism.

In addition to offering support that facilitates individual self-realization, the entire Company strives to foster a culture that encourages employee growth and to strengthen relationships between supervisors and subordinates. In this way, we strive to provide conditions that enable employees to feel secure across all departments.

To enable employees to realize the careers they have designed for themselves, we provide human resource development support that empowers them to grow through the autonomous acquisition of knowledge and experience and thus make maximum use of their diverse talents.



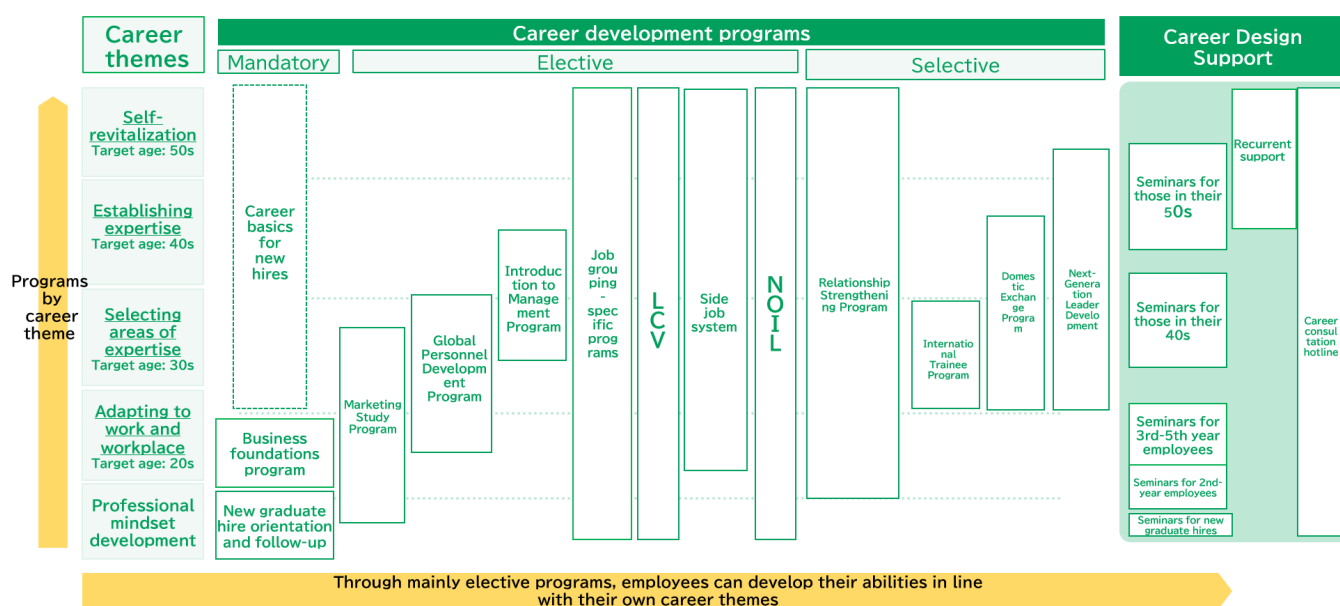
Lion's Ideal Human Resources



Human Resource Development to Support Career Autonomy

Key Points

Lion offers programs, most of which are elective, by career theme. Through these programs, we advance human resource development tailored to the growth of each individual employee.



Map of human resource development programs

- To nurture highly competent professionals, we implement human resource development through the head office, job groupings* and departments.



* Job groupings are cross-departmental categorizations of roles and job types that require similar expertise. The groupings serve to drive human resource development aimed at increasing expertise in specific areas and are utilized in coordination with the personnel-related initiatives of the head office and individual departments.

Career Autonomy Support Measures

Multifaceted Evaluations of Ability

One of the four overarching themes of the [Lion Professional Fulfillment Reforms](#) is Management. As a measure in this area, we carry out multifaceted evaluations of ability, providing an impetus for employees to autonomously grow and work in ways that better suit them.

Once a year, employees and their colleagues evaluate their behavioral characteristics and receive feedback from their supervisors. This initiative, adopted from fiscal 2021, helps spur self-directed, autonomous growth.

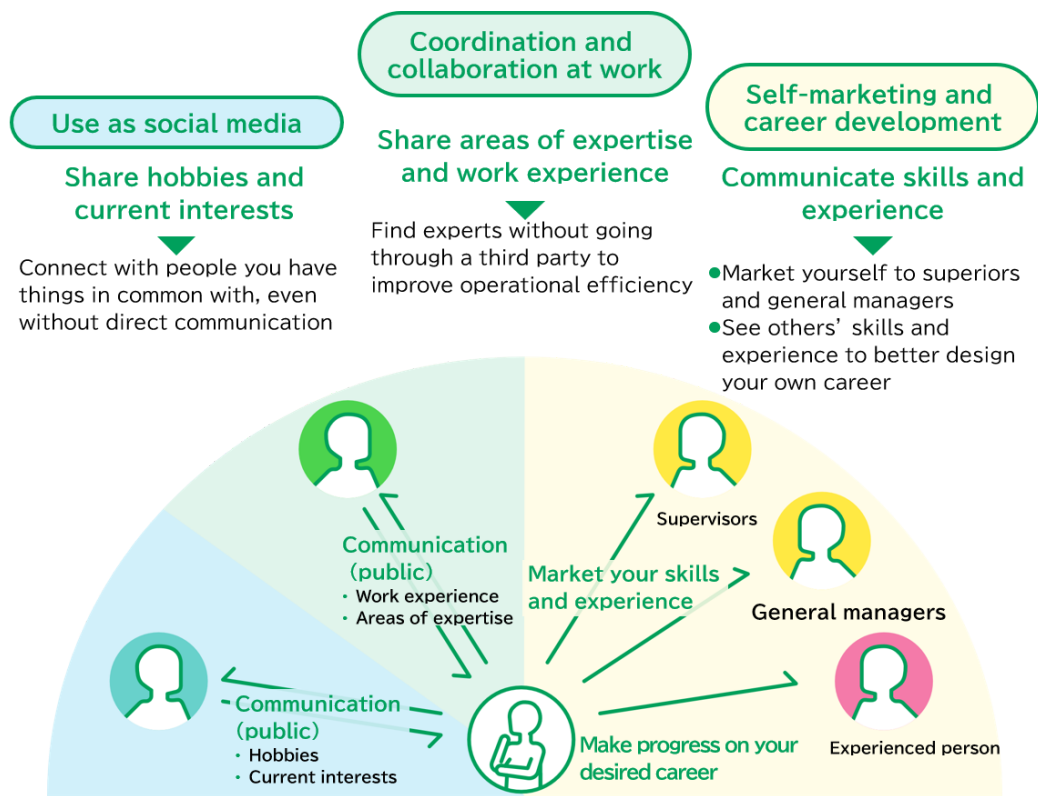


Multifaceted evaluations of ability provide material for use in helping employees grow both autonomously and with the guidance of supervisors

Talent Management System

One of the overarching themes of the [Lion Professional Fulfillment Reforms](#) is “Strengthen relationships.” Efforts in this area include the adoption of a talent management system that gathers existing data on individuals and organizations and enables them to register and broadcast additional information themselves.

Functioning like an internal social media platform for finding as well as connecting and collaborating with others, the system helps create opportunities to strengthen relationships.



The talent management system serves as a tool for communication

Job Maps

Job maps provide, on a single sheet, a clear visual explanation of the delineation of duties within each department, serving as an easy-to-use alternative to conventional detailed written explanations of duties by theme.

Introduced in January 2023, job maps include information on the specific duties of each role and the skills and competencies they require. This enables employees to take steps to prepare themselves for the career path they aspire to and is aimed at promoting self-development, ingenuity and ambitious effort.

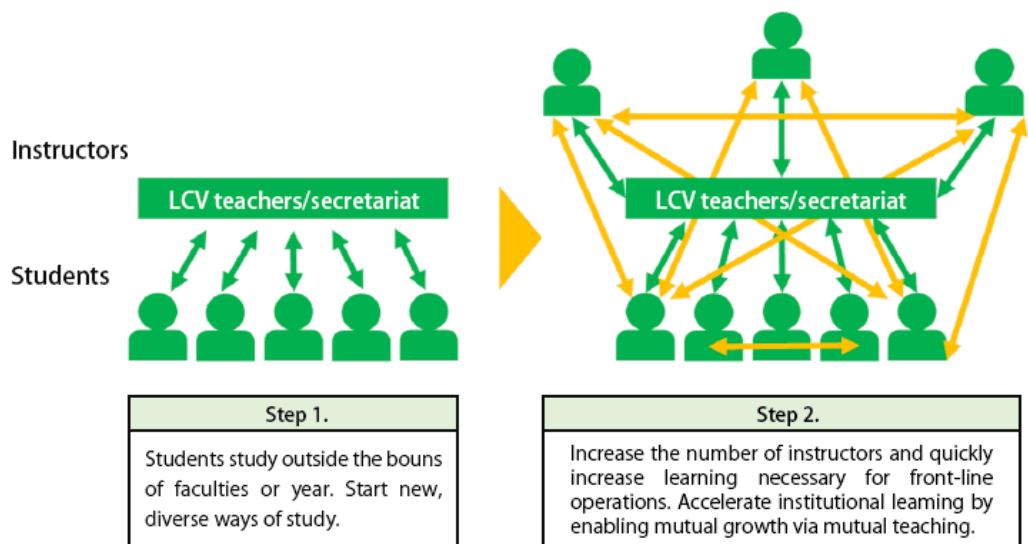
Lion Career Village (LCV)

Since 2019, to adapt to changing modes of learning while creating new learning opportunities, we shifted from conventional level-specific training to a more self-directed mode of learning via Lion Career Village (LCV), our platform for learning.



LCV offers programs divided into e-learning (mainly video content) and small group discussions. Users can access and learn from approximately 4,000 units of online content and discussion-style programs encompassing knowledge from within the Group and outside.

Going forward, to help employees gain knowledge that will further expand the breadth and depth of their work and with an eye to accelerating institutional learning, we will create environments that enable them to teach one another and share what they have learned.



Enhancing Lion Career Village (LCV)

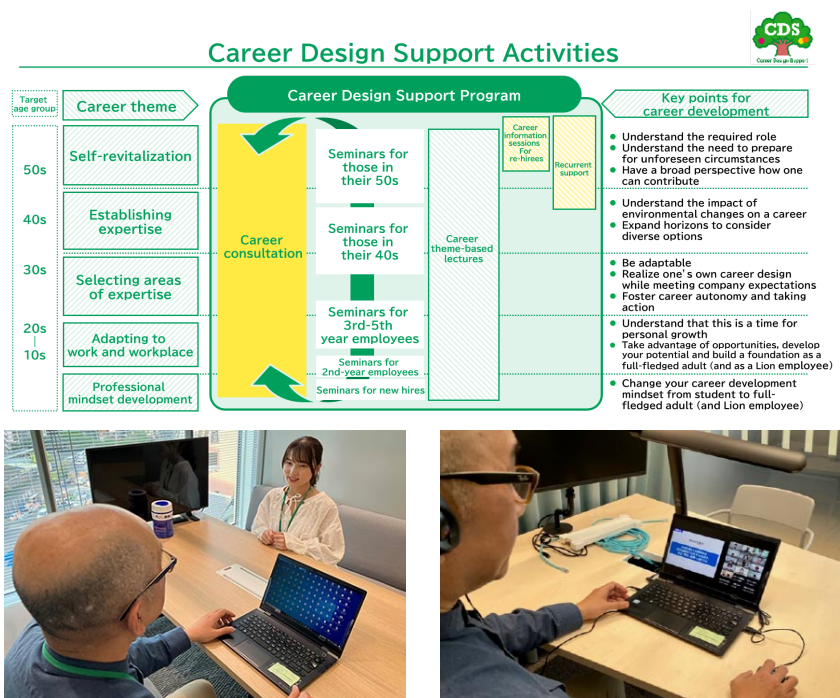
Going forward, we will continue to improve work environments that promote ambition and creation to help all employees advance their careers in an effort to reinforce front-line capabilities.

Human Resource Development Programs

Career Design Support

Lion has established the Career Design Support hotline to help employees practice conscious autonomy that will enable them to advance their careers based on their own aspirations and actions. The hotline allows employees to seek consultation about their careers and provides information from within and outside the Company, helping employees design their careers and rediscover their own potential.

We also hold career seminars for specific age groups and offer lectures on specific career themes to meet employees' particular needs while helping them develop an awareness of the ways in which they can leverage their unique strengths and experience in their careers.



Interview with a career consultant



Holding career design seminars for each career stage (online)

Orientation Program for New Graduate Hires

Purpose: Instilling an adult mindset and an understanding of the business structure while building a foundation for career autonomy

Overview: For all new graduate hires of all job types, we provide a curriculum that not only encourages a shift from the mindset of a student to that of a full-fledged adult but also incorporates a breadth of on-site experiences to promote an understanding of business structure.

Follow-up Program

Purpose: Providing opportunities for employees to review day-to-day tasks as well as to reexamine their individual aspirations and values and then utilize the realizations gained to design their own careers

Overview: We provide a curriculum centered on supporting junior employees (employees hired as new graduates in their first and second years with Lion) in designing their careers.

Marketing Study Program

Purpose: Providing study opportunities to enhance understanding of marketing for interested individuals

Overview: The Marketing Study Program has been implemented continuously in the Marketing Division since 2014. This program offers opportunities for the systematic study of such topics as practical marketing theory and planning design based on consumer insights and competitive strategies. The program also serves to develop marketing personnel in accordance with individual career paths.

Global Personnel Development Program

Purpose: Building the knowledge, insights and connections needed to forge autonomous careers by imparting basic skills necessary in globally capable personnel and an understanding of the Lion Group's overseas business in Asia

Overview: The Global Personnel Development Program was launched in 2021 to further expand Lion's overseas business in Asia. The program's training curriculum encompasses problem solving, understanding cultural differences and learning foreign languages as well as visits to overseas locations. Through the program, we are developing globally capable human resources who can excel across Asia, including Japan, based on outstanding expertise.

Introduction to Management Program

Purpose:

1. Understanding the roles expected of upcoming managers
2. Acquiring interpersonal management skills through both theoretical understanding and hands-on learning
3. Enhancing participants' understanding of Lion's corporate governance while instilling an awareness of proactively modeling compliance
4. Understanding managers' responsibility to look out for the mental health of subordinates and putting that responsibility into practice in the workplace

Overview: Comprising the Management Skill Training Program and Leadership Training Program, this program aims to impart both the knowledge and practical skills necessary for interpersonal management in management positions, covering such topics as compliance, understanding business conditions and looking out for the mental health of subordinates.

Side Job System

In 2020, we introduced a side job system (in which employees can either devise their own side job or choose from a number of options) to create opportunities for employees acting with conscious autonomy to gain knowledge and experience. Pursuing a side job can be an opportunity for employees to expand their own potential and take a fresh look at their own abilities. As such, we are both granting employees permission to work side jobs outside the Group and recruiting outside talent to work side jobs at Lion. By gaining experience outside the Company, employees can grow and evolve while expanding the breadth of their career and career options. Furthermore, we aim to leverage the external knowledge and connections that employees build through their side jobs to help create new value.

Expected Benefits

- Employees will build relationships outside the Group and broaden their horizons externally, enabling them to expand the breadth of their careers and grow as individuals. They will then be able to apply the experiences gained to their work at Lion.
- Lion will gain skills, knowledge and experience that it lacks internally.

NOIL

Under the theme of going beyond conventional healthcare wisdom, we launched NOIL, a program for selecting and implementing new business ideas in 2019, with the aim of continuously creating businesses that offer new value.



Held every year, the program has run three times thus far, each year collecting ideas based on diverse perspectives from among employees in not only the R&D Division and Marketing Division, but divisions across the Company, including sales divisions and the Production and Logistics Headquarters. The applicants examine issues faced by society and consumers and, on their own, come up with ideas aimed at resolving them that they turn into business proposals. To commercialize the ideas for new products and services that management and outside experts select as promising, the employees who submitted the ideas that are chosen are transferred to the Business Development Center, where they take a central role in building their new businesses.

Overall flow of the NOIL program



Commercialized Business: Kyuzituhack

I worked in sales for eight years after joining Lion, but I decided to apply to the NOIL program because I wanted to create a business based on my own ideas in order to offer something exciting to the world. I proposed a service, *Day Off Hack!*, to help customers mix up their stale regular routines. My idea was selected for development through NOIL in December 2019.



Kazuki Tanaka
Kyuzituhack Co., Ltd.

We established Kyuzituhack Co., Ltd. with venture capital funding, and I was appointed its president. I had my hands more than full, what with establishing the company, running it as president and developing its business. First, we developed *Day Off Hack!* (released October 2020), a service that connects users with interesting things to do outside the home. Then, in response to growing demand driven by the COVID-19 pandemic for home-based alternatives, we released *At-Home Hack!*, a service that delivers kits that provide fun, unexpected experiences that can be enjoyed at home (released March 2021). Since their release, the services have been well received, with more than 40,000 registered users.

Since 2022, we have been working on *Machi Hack!*, a service for creating experiences involving entire neighborhoods. This, too, has garnered positive feedback from customers.

Through services that offer encounters with new things you wouldn't think to seek out yourself, I hope we can offer new living habits and value in a fun and enjoyable way.



[Kyuzituhack \[Japanese\]](#)

Relationship Strengthening Program

Purpose:

1. Reviewing operational management and interpersonal management to redefine personal goals
2. Reconsidering the roles expected of colleagues and subordinates and reestablishing one's own goals as a manager
3. Enhancing management and leadership skills through both theoretical understanding and hands-on learning

Overview: In line with [Lion Professional Fulfillment Reforms](#), we are reinforcing initiatives to strengthen relationships as a foundation for promoting and enhancing the effectiveness of various measures related to skill development, work styles and work management.

Domestic Exchange Program

This program dispatches employees to business schools in Japan to acquire MBAs. Candidates are selected from among employees who have a strong desire to learn new skills and who have been with Lion for at least three years.

Next-Generation Leader Development

This program selects and trains highly skilled personnel to lead organizations.

Promoting Work-Life Enrichment

Sustainability Material Issue 4 Promoting Work-Life Enrichment



- ✓ Realizing Mid- to Long-Term Life Plans (Balancing Work and Nursing/Childcare)
- ✓ Workstyles That Help Realize the Daily Lifestyles That Employees Seek

In order to utilize the power of our human resources, it is necessary for a diverse range of people to demonstrate their diverse abilities and work in their own way. For this reason, we view work and life as one, and aim to create an environment that helps employees fulfill their ambitions through synergy between work and private life. We are committed to creating an environment in which each employee can realize their ambitions in life. To this end, we provide a variety of support services to help each employee realize their mid- to long-term life plan and daily lifestyle.

Realizing Mid- to Long-Term Life Plans (Balancing Work and Nursing/Childcare)

For individual employees to be able to realize their mid- to long-term life plan, it is necessary to expand the range of life planning options for events that have a large impact on life, such as childcare and nursing care.

Programs to Support a Balance Between Work and Nursing Care

Lion has enhanced support for employees engaged in nursing care of family members as part of efforts to create an environment that allows employees to continue to work with peace of mind while handling such responsibilities. In addition to ordinary annual paid leave, we have in place programs to support nursing care providers, including nursing care leave of up to 365 days, shorter work hours for nursing care (short hours flextime system), short-term nursing care leave and accumulated leave for nursing care (accumulated expired annual paid leave). Furthermore, we have set up a support website targeting employees aged 40 and over to better provide information on nursing care, including videos of caregiving seminars for managers and individuals.

Programs to Support a Balance Between Work and Nursing Care

Nursing care	365 days of nursing care leave	<ul style="list-style-type: none">Up to a total of 365 days of leave in one-day units may be taken per family member requiring nursing care (in accordance with laws and regulations, this is available up to three times per employee)
	Shorter work hours for nursing care (short hours flextime system)	<ul style="list-style-type: none">Employees may reduce their work hours (by up to two hours per day) as long as necessary to provide nursing careMay be used in combination with the flextime system
	Short-term nursing care leave	<ul style="list-style-type: none">Employees may take up to five days per year to provide nursing care for one family member or up to 10 days per year to provide nursing care for more than one family member
	Accumulated leave (Close relative nursing care)	<ul style="list-style-type: none">Accumulated expired annual paid leave (up to 60 days) may be used for the nursing care of close relatives <p>* Accumulated paid leave may also be taken for the employee's own medical care or for volunteering</p>

Programs to Support a Balance Between Work and Childcare

Lion is proactively enhancing its programs that support employees who are balancing work and childcare. We are expanding related programs in line with our action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace and working to increase awareness among employees. As a result of these efforts, in 2022, 93% of eligible female employees (full-time employees only, excluding full-time contract employees) took childcare leave. The number of male employees taking childcare leave is rising at 68% across a wide range of departments.*

* Based on calculations of the percentage of care leave used in accordance with the Child Care and Nursing Care Leave Law

Employee motivation often falters during the early childcare years. Lion offers support for employees to help develop their careers while raising small children. For example, we have set up a website offering information for employees returning from childcare leave and raising small children as well as support for employees wanting to learn new skills while on childcare leave. To ensure proper understanding of the programs available, we hold individual orientations, attended by eligible employees and their supervisors, as well as pre-reinstatement seminars and post-reinstatement interviews in order to facilitate a smooth return to work and support ongoing career development.

Furthermore, to promote the professional participation and advancement of employees who are raising children, Lion offers a new work style—the short hours flextime system—combining the reduced work hours system and flextime system (the flextime system applies to all employees, excluding those working in certain workplaces at plants).

Programs to Support a Balance Between Work and Childcare

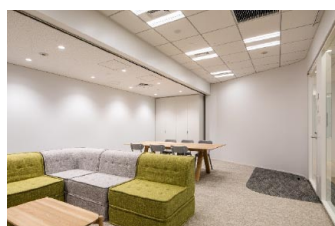
Childbirth	Maternity leave	<ul style="list-style-type: none"> • Six weeks before and eight weeks after childbirth (paid)
	Special leave for spouse's childbirth	<ul style="list-style-type: none"> • Two days (paid, with bonus)
Childcare	Special leave for childbirth	<ul style="list-style-type: none"> • Taken within 8 weeks of the expected delivery date or actual delivery date, whichever is later • Up to 28 days • Can be taken in two parts • First two weeks of initial leave* are paid, bonus deducted
	Childcare leave	<ul style="list-style-type: none"> • May be taken until the child is two years old • May be taken in two parts until the child is one year old • Can be taken in turns by parents between one year and one year and six months, and one year and six months to two years • First two weeks of initial leave* are paid, bonus deducted
	Shorter work hours for childcare	<ul style="list-style-type: none"> • Employees may reduce their work hours by up to two hours per day until the child finishes first grade • May be used in combination with the flextime system
	Exemption from overtime work	<ul style="list-style-type: none"> • Employees with children below elementary school age may apply for exemption from overtime work
	Leave to nurse sick children	<ul style="list-style-type: none"> • Employees may take leave in hourly units to care for injured or sick children below elementary school age (paid) • Employees may take up to five days per year for one child below elementary school age or up to 10 days per year for more than one such child

* Initial leave is the first leave taken, either for childbirth leave or childcare leave

[Employee Benefits \[Japanese\]](#)

Creating Comfortable Working Environments

When Lion relocated its head office in 2023, it installed family rooms and nursing rooms to enable employees who are raising children to work with peace of mind, as well as enable them to bring their children to work as necessary. Family rooms are primarily for use by employees who bring their children to work, but can also be used as regular meeting rooms. Nursing rooms have been set up for breastfeeding, pumping and lactation, and are used to support health and childcare for employees returning to work during the breastfeeding stage.



Family room



Nursing room

Initiatives Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Lion is aggressively working to create environments that allow employees to work while raising children so that all employees can exercise their abilities to the fullest.

As a result, Lion has fully accomplished the first five phases of its Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and received Kurumin certification for each. Through such initiatives as encouraging the use of childcare-related systems, providing support for smooth reinstatement after childcare leave and encouraging male employees to take parental leave, we have achieved a 100% retention rate for female employees one year after giving birth and a 71% usage rate for childbirth leave or parental leave among male employees (for the period of April 2015 to December 2018).

In addition, under the 5th Phase (covering April 1, 2015 to December 31, 2018) of our Action Plan, we advanced efforts to promote healthy work-life balance among all employees, not only those raising children, such as encouraging the use of annual paid leave and expanding the use of the work-from home system. As a result of these efforts, in 2019, Lion received special Platinum Kurumin certification from the Minister of Health, Labour and Welfare.

Kurumin Certification

2007	1st Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2009	2nd Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2011	3rd Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2015	4th Phase	Received Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare
2019	5th Phase	Received special Platinum Kurumin certification as a childcare-supporting company from the Minister of Health, Labour and Welfare > News Release [Japanese]



Kurumin certification mark



Platinum Kurumin

At present, under the 6th Phase of our Action Plan (covering February 1, 2019 to December 31, 2022), we have achieved our goal to create employee-friendly environments that allow employees to work while raising children and exercise their abilities to the fullest. After the 6th Phase is finished, we will continue to utilize our Platinum Kurumin certified system and disclose the required information on the Ministry of Health, Labour and Welfare's website.

[☑ Support for Balancing Home and Work Life Information and Forum \(Ministry of Health, Labour and Welfare website\) \[Japanese\]](#)

6th Phase of Lion's Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children: Goals and Status of Initiatives

Goal 1

Within the period of the Action Plan, implement support measures to create a working environment in which employees on childcare leave can smoothly return to work.

Initiatives

- 2019: Launched the Lion Career Village and provided support for self-study while on childcare leave and for career development after return to work.
- 2020: Held discussions about career development with internal instructors at pre-reinstatement seminars. Continued to provide explanations of childcare support systems to the supervisors of employees using said systems.

→Launched the Lion Career Village and provided support for self-study while on childcare leave and for career development after return to work. (Begun in January 2019, held annually)

Goal 2

Within the period of the Action Plan, have 13% or more of eligible male employees take childcare leave, one or more such employee takes long-term parental leave and 30% or more of such employees take special leave (for childbirth).

Initiatives

- 2019: Explained childcare leave systems to employees who filed childbirth registrations and to their supervisors and encouraged them to take leave.
- 2020: Began promoting the use of leave systems by featuring employees who have used them in the internal newsletter, thereby sharing real-life experiences of work-life balance improvement.

→In 2022, of the 67 male employees to whom children were born, 46 (68%) took childcare leave, and another 37 (50%) took special leave for the birth. As such, we achieved the target.

Goal 3

Within the period of the Action Plan, promote measures for understanding and use of the work-from-home system and implement for support the establishing the system.

Initiatives

- 2019: Expanded the departments and employees eligible to use the work-from-home system. Promoted understanding and use of the system through mass orientations, workplace orientations, individual meetings and other means.
- 2020: Began promoting the use of leave systems by featuring employees who have used them in the internal newsletter, thereby sharing real-life experiences of work-life balance improvement.
- 2021: Analyzed data on system usage by workplace in order to improve systems.

→In January 2020, we expanded the range of eligible employees to include approximately 70% of our regular employees and full-time contract employees, excluding those working in production divisions. In addition, to promote flexible and autonomous work styles, we have eliminated the previous one day per week limit on telecommuting. In January 2021, we launched the Knowledge Cafe, an internal intranet site about Lion

Professional Fulfillment Reforms, to introduce examples of telework usage and diverse work styles. The telecommuting rate is now around 50%, which allows for a better balance between work and private life.

Perspectives of Employees Balancing Work and Childcare

I used Lion's childcare leave in 2016 and again in 2019 when I gave birth to my children. Lion's various support systems had been well established when I had my first child, but they were further strengthened for my second child, and I felt that they created a very comfortable working environment for mothers. I was very anxious about returning to work after childcare leave because I could not imagine a life of raising two children while working, especially considering that I have not only one child, but also my second child. However, when I attended the Back-to-Work Seminars, I heard stories from more experienced mothers and was able to get a better picture of what it is like to balance work and family life. Talking with other mothers who were returning to work at the same time made me feel like I could do my best, and Lion's systems were being improved, so I was able to look at returning to work in a positive light.

I met my husband while working at Lion, and when I had my second child, he was also able to take childcare leave. The Company as a whole is very supportive of parenting, regardless of gender, so we were able to enjoy raising our children without hesitation, which I appreciated. Now, I am currently utilizing the short hours flextime system, the full flex system, and the telecommuting system. In addition, my superiors and coworkers are very understanding, so I am able to work in a flexible manner, which is very helpful, I feel that I am truly blessed to be able to work while raising my children.



Mariko Watanabe (at the time)
DX Promotion Department

Work Styles That Help Realize the Daily Lifestyles That Employees Seek

To achieve the daily lifestyles that employees seek, it is necessary to reduce overtime and long working hours, make the leave system more accessible and increase flexibility in working hours and locations.

Promoting Work Hour Management and Annual Paid Leave

We have been working to reduce long working hours and encourage employees to take annual paid leave since 2010. Through e-learning programs for employees throughout the Company, covering such topics as compliance, we are promoting understanding of appropriate work management, including work hour management. In addition, in order to achieve our 2023 target of 80% annual paid leave taken, we are implementing initiatives for all employees to take at least 5 days per year under a labor-management agreement.

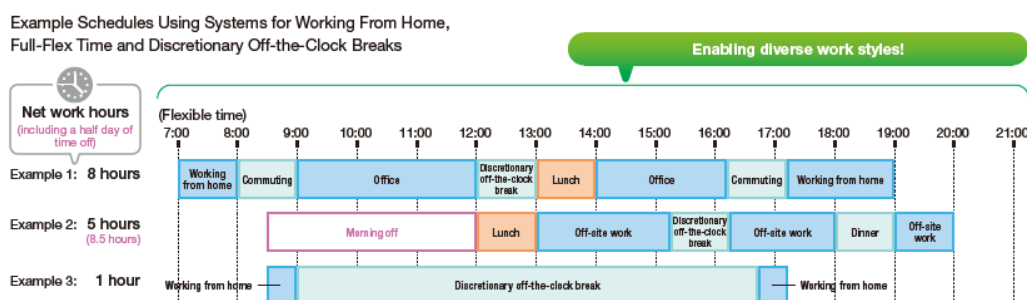
Rule Revisions to Promote Independent Work Styles

In 2015, we introduced a work-from-home system that promotes flexible work styles not bound to specific workplaces. This was done with the aims of accommodating autonomous work styles in line with the diversity of our employees and increasing productivity. In 2019, we improved our work-from-home related systems and their operation, including encouraging participation in the 2019 Telework Days campaign.^{*1} By the end of 2019, trial implementation had expanded to the point that the portion of employees who had used the work-from-home system at least once had grown to 49%.

To prevent the spread of the COVID-19 pandemic in 2020, the adoption of work styles that do not require employees to be present in offices or commercial premises was rapidly expanded, and digital tools were adopted throughout the Company. In January 2021, we reinforced our telecommuting and full-flex systems (eliminating core time and enabling employees to take discretionary off-the-clock breaks) in response to shifts in work styles due to the COVID-19 pandemic. This shift toward more independent work styles that accommodate diverse needs has resulted in a usage rate for these systems of around 50%.^{*2} The practice of work styles suited to individual needs continues to take root, helping improve professional fulfillment. Furthermore, because it is difficult to enable production site employees to freely set their own hours, we have established a system for such employees to take time off in hourly increments. This system makes it easier for employees to balance their private lives and work, helping to bolster motivation.

^{*1} The Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, in collaboration with related government agencies and organizations, called on companies to implement telecommuting throughout Japan with the aim of expanding telecommuting nationwide and alleviating transportation congestion during the Tokyo Olympic and Paralympic Games.

^{*2} Excluding periods under state of emergency declarations related to COVID-19 pandemic.

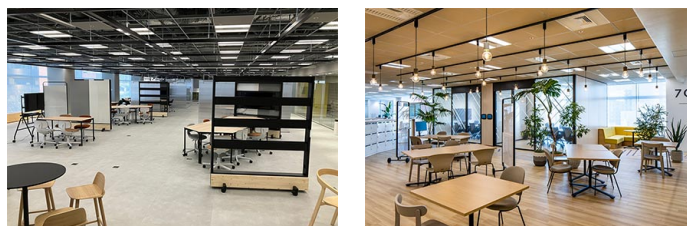


Smart Work

Since 2019, we have been relaxing rules about work attire. This is aimed at enabling employees to practice work styles that spark open innovation and creativity to the greatest extent possible.

In 2023, Lion relocated its headquarters, and the traditional mindset of requiring every employee to come into the office and sit in an assigned seat has been replaced with a work environment that, depending on the nature of their work and their mood, promotes employees' freedom of choice regarding time and place as well as work style, whether in person or from home.

In these and other ways, we are fostering employees who focus their efforts on the essential creative, high-value-added aspects of their work as well as a corporate culture that rewards doing so.



New office of headquarters

Volunteer Leave System

Lion has a special volunteer leave system (up to five days per year) to support employees participating in Company-designated volunteer activities as well as a general volunteer leave system (in which employees can use expired annual paid leave) to support employees participating in volunteer activities of their own choosing.

Japan is frequently affected by natural disasters, such as flooding and earthquakes. Through employees' active participation in activities to promote recovery in affected areas, we aim to contribute to local communities and enhance participants' awareness of social contribution.

From 2020 to 2022, due to the COVID-19 pandemic, the number of employees who participated was 0.



Forest maintenance participants, including employees using the special volunteer leave system

Employees Using Volunteer Leave

	2018	2019	2020	2021	2022
Users (days taken)	13 (16days)	15 (19days)	0	0	0

Employee Awareness and Behavior Survey

Since 2013, we have conducted an annual employee awareness and behavior survey of domestic Group employees in order to confirm changes in employee awareness and behavior, with the aim of achieving a state in which every employee feels fulfillment in their work. The results of the survey are used for measures to improve job satisfaction of employees.

Employee Awareness and Behavior Survey*

Employees take pride in their work

		2018	2019	2020	2021	2022
Lion Corporation (excluding employees on loan)	Overall survey response rate	91.5%	85.8%	83.0%	84.3%	89.5%
	Total response rate from men and women employees	96.2%	95.7%	97.3%	80.5%	77.1%
	Male	97.2%	96.5%	97.5%	82.8%	78.2%
	Female	94.5%	94.3%	96.8%	77.0%	78.1%
	Below 30 y/o	94.1%	94.0%	95.3%	74.9%	71.9%
	30–39 y/o	94.8%	93.9%	96.7%	78.9%	76.9%
	40–49 y/o	95.3%	96.1%	96.8%	79.0%	75.9%
	50–59 y/o	97.7%	95.7%	97.9%	84.6%	79.5%
	60 y/o and above	98.1%	98.0%	97.2%	85.4%	82.1%
	Non- Management Positions	95.1%	94.4%	96.6%	77.5%	74.9%
	Management Positions (Including officers)	98.5%	98.7%	98.8%	89.6%	85.1%

* Since the ratio reached close to 100% in 2020, the survey options were modified in 2021 to enable us to create even better working conditions.

Promoting Diversity & Inclusion

Sustainability Material Issue

Promoting Diversity & Inclusion



- ✓ Deepening Understanding of the Importance of Diversity & Inclusion
- ✓ Promoting the Professional Participation and Advancement of Women
- ✓ Promotion of International Employees ✓ Promotion of Mid-Career Hires
- ✓ Actively Promoting the Hiring of People with Disabilities ✓ Diverse Work Styles ✓ Employee Data

Deepening Understanding of the Importance of Diversity & Inclusion

Lion is promoting internal diversity and inclusion in order to improve the creativity of its business activities.

To maintain the sense of urgency required to create new value and address life and social issues, it is necessary to maximize the varied knowledge and experience of our diverse human resources so they are equipped to generate new ideas and innovations. We will create an environment and foster a corporate culture in which employees with diverse values and perspectives, regardless of nationality, gender or other attributes, respect each other and can fully demonstrate their individuality and abilities. Currently, a team responsible for diversity within the Human Resources Development Center is implementing a variety of measures to this end.

Since 2022, Lion has held workshops on unconscious bias for management and department managers. The workshops helped participants gain a proper, deeper understanding of diversity & inclusion, and discussed how everyone holds biases and the effects and issues they can cause. Going forward, we will expand this understanding to every manager and employee, and build an organization that is mutually receptive and where diverse and varied personnel can play an active role.



Unconscious bias workshop

Promoting the Professional Participation and Advancement of Women

Lion recognizes that the professional participation and advancement of women is indispensable to the further enhancement of corporate value and is proactively implementing measures to promote the professional engagement of women.

Based on the Act on the Promotion of Women's Participation and Advancement in the Workplace passed by the Japanese Diet in 2016, Lion is implementing measures to enable the long-term professional participation of women. These include expanding our childcare-related programs and implementing measures to support employees balancing childcare obligations with work.

To narrow the gap in compensation between men and women, the Company provides each employee with learning and fair growth opportunities while also providing training for evaluators aimed at ensuring that gender discrimination and unconscious bias do not affect their judgement of employees with regard to their education and training, care work responsibilities (i.e., home and childcare) and work experience. In March 2020, we endorsed and participated in the activities of "30% Club Japan¹",^{*1} a campaign targeting boards of directors comprising 30% women. The club provides opportunities to participate in meetings with other companies to exchange opinions on women's activities and programs that encourage young women to think about their careers.

In 2022, we launched a mentoring program and empowerment seminars to support leadership development for women and diverse career advancement. Through a range of initiatives, we have increased the proportion of female employees at the management level^{*2} on a non-consolidated basis to 12.8% (at the end of 2022). Looking toward 2030, we aim to advance the professional development and promotion of women on a Group-wide basis, targeting a rate of women in management of at least 30% for the Group and at least 35% for Lion Corporation.

Lion's Action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace and its Declaration are available on the Ministry of Health, Labour and Welfare's portal site for information about positive action to promote women's participation and advancement in the workplace.

[Lion's entry in the Ministry of Health, Labour and Welfare's database of companies submitting action plans and data based on the Act on Promotion of Women's Participation and Advancement in the Workplace \[Japanese\]](#)

^{*1} A global campaign founded in the United Kingdom in 2010 with the goal of increasing the percentage of women in key decision-making bodies, including boards of directors, to 30%.

^{*2} Personnel holding managerial positions at the level of manager or higher

Act on Promotion of Women's Participation and Advancement in the Workplace General Employer Action Plan

Lion Corporation

Lion Corporate has established the following action plan in order to create environments in which employees with diverse work styles and values can participate and advance, regardless of such factors as nationality, gender or age, and to further increase opportunities for value creation.

1. Plan duration: May 1, 2021 to December 31, 2030
2. Challenges we face:
 - Closing the gap in the proportion of men and women in management positions
 - Creating a corporate culture that respects and leverages diversity

3. Action plan

Target 1: A rate of women in management* of at least 35% by the end of 2030

From 2021:

- Revise evaluation systems to promote the professional participation and advancement of both men and women
- Build a career support system that eliminates bias and enables empowerment (enhance the mentoring system, create development plans that account for life events, etc.)
- Reinforce internal and external communication about management's commitment to promoting women's professional participation and advancement

* At the level of manager or higher, in general

Target 2: For 100% of eligible men to take childcare leave by the end of 2030

From 2021:

- Promote a shift in thinking toward leveraging diversity
- Implement training on unconscious bias
- Reinforce promotional activities to encourage the use of childcare leave
- Provide opportunities for reflecting on employee diversity

Promotion of International Employees

As of the end of 2022, Japanese employees account for 41.4% of the 7,587 employees in the consolidated Group. At overseas Group companies, employees native to those various countries and regions work closely with Asian consumers, proposing better practices and other activities. In Japan, foreign nationals comprise 1.5% of the total number of employees and 0.4% of the total number of managers. We aim to raise the ratio of foreign nationals in management positions to equal that in the total workforce by 2030. These efforts to promote the appointment of international employees are aimed at the achievement of business growth through the realization of a varied and diverse workforce.

Promotion of Mid-Career Hires

In order to further develop our current and new businesses, we are actively hiring and promoting mid-career hires who have experience, skills and expertise not previously available in the Company.

As a result of activities based on the recruitment plan for new graduates and mid-career hires in the medium-term human resources plan, the rate of mid-career employees hired during the three-year period from January 2020 to December 2022 was 33.9%. Furthermore, we are actively re-recruiting people who once left the Company for such reasons as career advancement or family circumstances.

As of December 31, 2022, the rate of mid-career hires to the total number of employees was 27.6%. The rate of mid-career hires in management positions was 11.5%, and we aim to have the same level of mid-career hires in management positions by 2030 as traditional employees.

* Employees of the Company (excluding temporary employees, etc.)

Promoting the Hiring and Activities of People with Disabilities

Lion actively recruits people with disabilities year-round. We are committed to creating a work environment that allows people with disabilities to make the most of their individual skills while providing thoughtful employment that matches their abilities.

In April 2016, we established the special subsidiary Lion Tomoni Co., Ltd. as a workplace where people with disabilities who are willing to work can make the most of their individuality and work with stability. The business activities of Lion Tomoni help streamline and rationalize Group operations.

Lion Tomoni Co., Ltd.'s 32 employees with disabilities and ten instructors (as of December 31, 2022) engage in a wide variety of operations, such as cleaning the employee cafeteria and washing laboratory ware, preparing business cards and employee badges, and operating a stationery reuse service. Under the four promises of “safety first,” “act wholeheartedly,” “energetic greetings” and “demonstrating teamwork,” Lion Tomoni will continue to promote the hiring and professional participation of people with disabilities.



Cafeteria cleaning

Diverse Work Styles

Support Systems for Accompanying Spouses on Work Transfer

Since 2011, Lion has offered a spouse relocation support program for married couples who both work for Lion as a way of supporting the diversifying work styles of its employees. From 2022, the program has been expanded to include employees whose spouses work for other companies. When an employee's spouse is transferred to another location, the employee can choose from three options: change their work location, take a leave of absence for up to three years to accompany their spouse, or resign from the Company with the option of being rehired within five years.

Retired Employee Re-Hiring System

Lion introduced a system for re-hiring retired employees in 2006. Under the revised system, the Company seeks to increase the motivation of re-hired employees by providing an environment that allows them to work on terms similar to those applying to ordinary employees. This includes re-hiring all applicants, permitting changes of duties during their contract period and awarding performance-based bonuses. Furthermore, incorporating employee suggestions, the Company conducts explanatory orientations about the system for employees three years before they reach the standard retirement age as well as meetings with their superiors upon re-hiring to help them understand their new roles. In 2022, the re-hiring rate for retirees was 82.0%.

System for Re-Hiring Former Employees

Lion has established a system to re-hire former employees who have voluntarily resigned so that they might leverage their diverse life and career experience and knowledge in working at Lion again.

Regionally Based Employee Program

Lion has offered a regionally based employee program since 2013. This program is aimed at securing outstanding human resources who are contributing greatly from among Lion's pool of temporary employees and enabling regular employees to practice diverse work styles. Under the system, the whole of Japan is divided into seven blocks, and participating employees are guaranteed not be transferred out of the block of their choosing. These employees' compensation and benefits are on par with those of regular employees.

[> ESG Data_ Regionally Based Employee Program](#)

Employee Data



Improving Employee Health

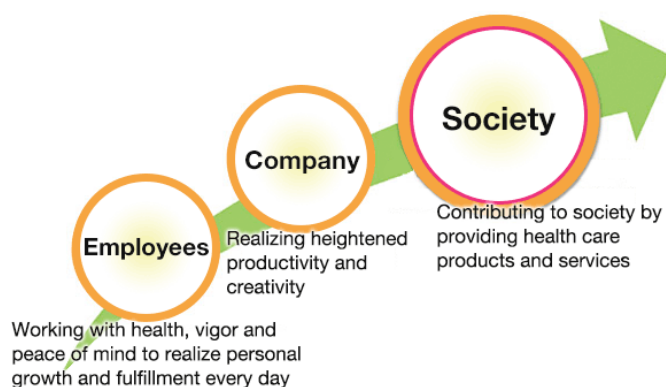
Sustainability Material Issue 6 Improving Employee Health



- ✓ Approach ✓ Guidelines (Guidelines for Health)
- ✓ Health and Productivity Management Strategy Map ✓ Implementation Framework ✓ Overview
- ✓ Lion-Style Health Support—"GENKI" Action ✓ Mental ✓ Physical ✓ Awareness
- ✓ Infection Countermeasures ✓ Lion Employee Preventive Dentistry Data
- ✓ Oral Care Seminars for Corporations

Approach

When employees act on their own initiative with a high level of health awareness to acquire sound health habits, it not only serves to maintain and improve their health, but helps them achieve personal growth and professional and personal fulfillment. This, in turn, serves to enhance corporate productivity and creativity and expand opportunities for Lion to contribute to society through sustainable growth.

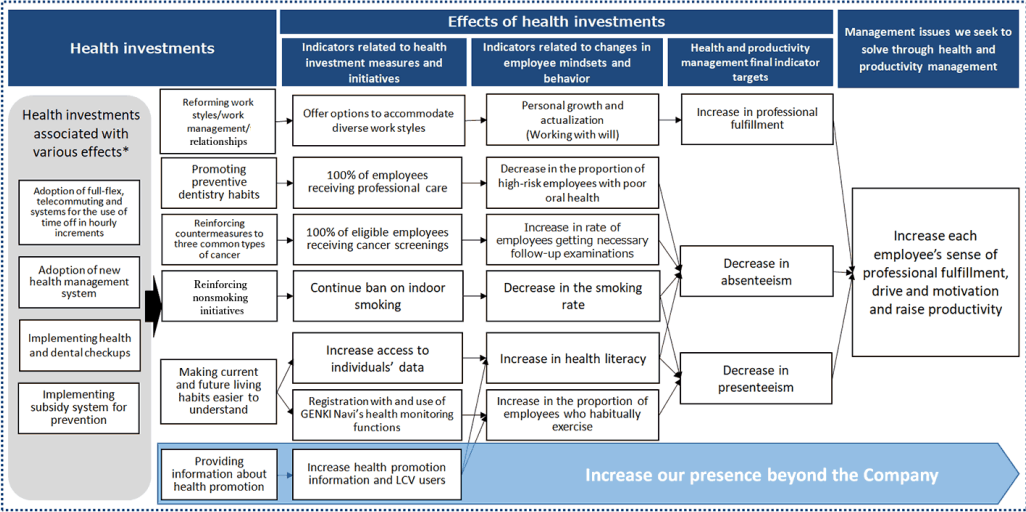


Guidelines

Lion believes that the health of employees is the management foundation underlying sound corporate growth. In line with this belief and in pursuit of its management vision, "Becoming an advanced daily healthcare company," the Company works in close coordination with employees and the Lion Health Insurance Society to support the formation of healthy habits in such areas as improving lifestyles, oral health, mental health, cancer prevention and anti-smoking, based on the [Guidelines for Health](#), with the goal of realizing healthy minds and bodies for all.

Health and Productivity Management Strategy Map:

Mapping out the ways that the effects of health investments connect with the management issues we seek to solve through Health and Productivity Management



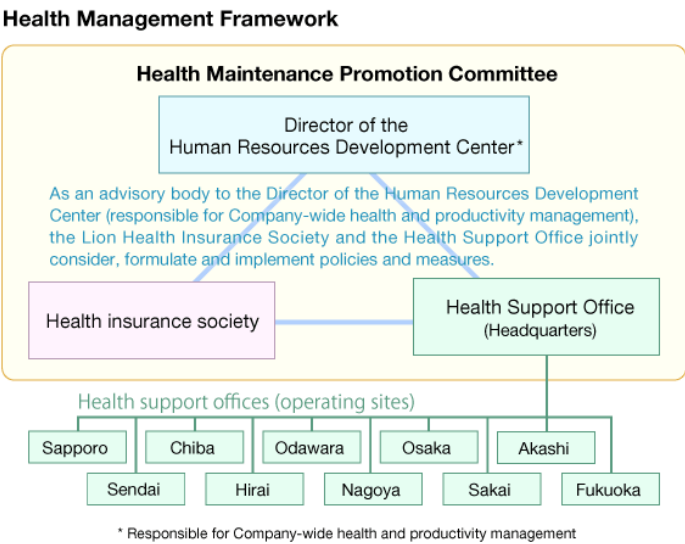
* Generally, health investments correspond one-to-one to the indicators related to health investment measures and initiatives. However, some health investments correspond to multiple indicators related to health investment measures and initiatives. These health investments are deemed “health investments associated with various effects.”

Implementation Framework

Lion aims to promote health and vitality throughout the Company. To this end, the officer responsible for Company-wide health and productivity management (the director of the Human Resources Development Center) oversees general health management, while the [Health Support Office](#), the Lion Health Insurance Society, the individuals responsible for or promoters of health and productivity management at each office and industrial health staff (industrial physicians, health nurses, etc.) coordinate to promote organizational health management.

Health Maintenance Promotion Committee

The officer responsible for Company-wide health and productivity management (the director of the Human Resources Development Center), along with representatives from the **Health Support Office** and the Lion Health Insurance Society hold regular joint meetings as the Health Maintenance Promotion Committee to discuss Company-wide health management issues and measures.



Health Support Offices







Health support offices have been set up at each of Lion's 11 domestic operating sites. At these offices, industrial health staff carries out health and productivity management operations. Each health support office coordinates with the Health Support Office at Lion's headquarters to manage such operations and implement measures aimed at improving health. The Headquarters Health Support Office formulates Company-wide health management policy, basic plans and annual plans, and coordinates the implementation of plans and gathering of related data.

Overview

Health Management Program—Mental, Physical and Awareness

For ease of understanding how each initiative fits into the program as a whole, we have broken down our health management program into three categories: mental, physical and awareness (awareness of self-directed health management). In each category, we are advancing health management measures for employees tailored by age group.

Health Management Program Overview

Age group	20s	30s	40s	50s	60s	
Mental	Stress level checks					
	Mental health self-care classes (all age groups)					
	Mental health self-care classes (management level)					
	Workplace improvement activities leveraging collected data					
	Mental health consultation service					
	Reinstatement support for employees on leave due to mental health issues					
	Adoption of internal communication tools					
	Physical	Health checkup				
Health checkup follow-up interviews						
Encourage employees to get additional examinations for items flagged in their health checkup results/Health guidance						
Support for young employee		Specific health guidance				
		Preventive dentistry program (All Lion Health Activity, "ALOHA")				
		Campaign to encourage the use of dental floss and interdental cleaning tools				
		Campaign to encourage the use of professional care				
		Subsidy program for countermeasures to three common types of cancer				
		Support for quitting smoking				
Addressing excessive work (labor management and meetings with employees working long hours)						
COVID-19 infection prevention measures						
Awareness			New health management system, GENKI Navi			Health promotion seminars for 50-year-old employees
		Providing information (website, internal newsletter, safety and health committees)				

Lion-Style Health Support—"GENKI" Action

We are implementing Lion-style health support, "GENKI" Action, to promote the formation of healthy habits. We support our employees' autonomous efforts to cultivate their strengths regarding their health, thereby empowering them to increase their sense of professional fulfillment and demonstrate their diverse abilities as they strive toward becoming human resources that embody Lion's Purpose: make a difference in everyday lives by redesigning habits: ReDesign.



| Key Measures

1. Health management system, GENKI Navi

We developed GENKI Navi, a new health management system, based on the concepts of making data (such as that about health status, countermeasures and future risk) easy to see and understand, enabling self-management (self-checks) and making health improvement efforts more fun. The system can be accessed using a computer or smartphone. Through the system, we aim to increase employees' health awareness and foster healthy habits. In addition, from April 18, 2022, we added a function that uses employees' health checkup data to clearly present future health risks. The purpose of this function is to utilize risk prevention results in health guidance to motivate employees to reflect on their living habits and change their behavior.

The system includes a wide range of functions, including the following.

- 1) Making employee's periodic health checkup data accessible (showing dental checkup results, changes over time, advice, etc.)
- 2) Self-check of data from daily life (input and see weight, step count, food, temperature, blood pressure, etc.)
- 3) Content to encourage employees to improve their living habits (setting goals, social media functions, etc.)
- 4) Answering medical questionnaires (for health checkups)
- 5) Stress level checks (self-checks)
- 6) The ability to earn health points

2. Fostering preventive dentistry* habits

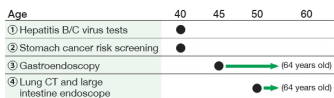
As an advanced daily healthcare company, Lion is focusing on initiatives to foster preventive dentistry habits among employees. In terms of self-care, we are providing health guidance during dental checkups, providing individual guidance to employees identified as high risk based on dental health questionnaires and checkup results, implementing a campaign to encourage the use of dental floss and interdental cleaning tools and providing educational videos. In terms of professional care, we are carrying out a campaign of subsidies for receiving professional care and recommending dentists to employees.

* An approach focused on prevention, rather than receiving treatment after cavities or other problems arise. This approach entails both receiving professional care at a dental clinic and practicing daily self-care on an ongoing basis.

3. Subsidy program for countermeasures to three common types of cancer*

The number of persons afflicted with and dying from cancer in Japan is steadily rising. However, advances in diagnostics and treatment are increasingly enabling the early detection and treatment of some cancers. In light of this, separate from employees’ regular health checkups, Lion has introduced a subsidy program for countermeasures to three common types of cancer aimed at early detection and treatment. In particular, as cancers of the lungs, stomach and colon account for a large portion of cancer-related deaths, Lion subsidizes the expenses of detailed screenings for these types of cancers to make them more accessible to employees. The Company also responds to employee inquiries about consultations at medical institutions that provide such screenings.

For its proactive initiatives, Lion was given the 2022 Award for Companies Promoting Cancer Control under the Action Plan for Promotion of Cancer Control, which is a project commissioned by the Ministry of Health, Labour and Welfare. This is the second consecutive year Lion has received the award.



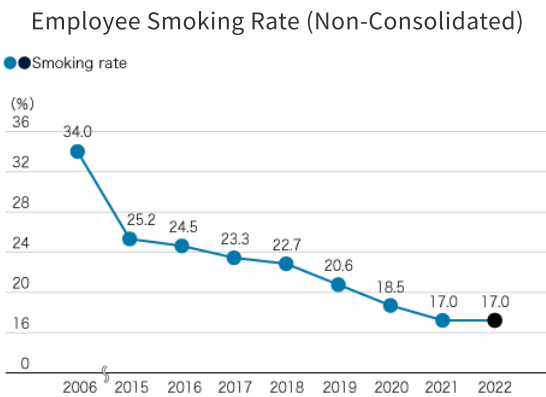
The 2022 Award for Companies Promoting Cancer Control
 * Lung, stomach and colon cancers



Reinforced Age-Specific Cancer Screening
 from 2020 Onward

4. Reinforcing anti-smoking initiatives

We provide support and have created facilitative environments for employees who want to quit smoking in order to prevent exposure to secondhand smoke in the workplace. To improve work environments, in January 2020 we banned smoking during work hours, and in April 2020 we implemented official rules banning smoking indoors. Furthermore, for employees deemed at high risk of chronic obstructive pulmonary disease (COPD)* based on health questionnaire results, we provided meetings with industrial doctors, offered guidance related to quitting smoking and encouraged such employees to see a doctor.



* A disease in which the functioning of the lungs gradually deteriorates due to tobacco use and other factors.

Lion has issued the “GENKI” Report, a white paper on health that visualizes employee health status as well as illness prevention and health improvement efforts, allowing users to compare age-related data against a Company-wide average. The “GENKI” Report is shared with the officers responsible for health and productivity management and those tasked with its promotion at each office. Based on data furnished by Lion’s digital transformation (DX) departments, the report presents radar charts mapping various data to illustrate how close specific offices and organizations are to improving their health rankings. The report is intended to help each office and organization better understand its own health status and use this data to inform health promotion activities.



Selected under the Health & Productivity Stock Selection for the First Time

Under the Health & Productivity Stock Selection, the Lion Group has been selected from among listed companies that implement health management as a company that implements particularly outstanding initiatives.

For seven consecutive years since 2017, Lion has been recognized as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program. This program recognizes enterprises engaging in outstanding efforts to promote health and productivity management based on initiatives to overcome health-related challenges in communities or the promotion of health-conscious activities led by the Nippon Kenko Kaigi.

This year's selection under the Health & Productivity Stock Selection is based on acclaimed initiatives that contribute to the promotion of health among not only employees but a wider range of people. Among these initiatives were measures to raise employees' health awareness and encourage the formation of healthy habits, such as activities addressing health issues specific to women that evolved from a voluntary researcher-driven level to full-blown Company-wide involvement, as well as lifestyle improvement activities for younger employees. More broadly, we were recognized for providing technologies and services that utilize know-how and data accumulated through years of preventive dentistry in combination with the Internet of Things (IoT) and AI.

We will continue our efforts to maintain and improve the health of our employees, contributing not only to their personal growth and the enrichment of their lives, but also to the development of our business and further corporate growth.



At the award ceremony

Mental

Lion established the Mental Health Basic Policy in 2004, and continually and systematically promotes mental care for employees based on the Guidelines for Maintaining and Improving Mental Health of Workers.

Mental Health Initiatives (Four Types of Care)

| (1) Self-Care

Stress Level Checks

Since 2006, before the amendment of the Industrial Safety and Health Act, Lion has been providing stress level checks for employees to assist them in their own self-care. In 2019, 98.0% of all employees underwent stress level checks.

Since 2020, the COVID-19 pandemic has driven rapid changes in lifestyles and ways of working. To address the psychological impact of these environmental changes, Lion conducted stress level checks twice in

2020 (these checks were previously conducted once per year). Every year, a high percentage of employees undergoes these stress level checks, and 2022 was no different at 98.8%. Employees found to have high stress levels were required to meet with industrial health staff.

In addition, GENKI Navi creates an environment that allows employees to conduct self-checks at any time, so that they can monitor their own stress profile and make use of it in their self-care. New employees (including mid-career hires) are provided self-care training at their time of employment and all employees participate in training once a year.

Stress Level Check Testing

	Tested employees	Test rate
2017	2,851	96.9%
2018	3,077	98.9%
2019	3,097	98.3%
April 2020	3,112	98.2%
November 2020	3,157	98.1%
2021	3,192	99.5%
2022	3,257	98.8%

Workplace Improvement Activities Leveraging Stress Level Check Data

After the results of stress level checks are compiled, each year, the officers in charge of health management at operating sites and Lion's headquarters provide feedback to individual workplaces. Based on analyses of workplaces' strengths and weaknesses, this feedback is used to help create more sound work environments. The Health Support Office provides feedback to high-risk workplaces, creating opportunities for dialogue about workplace issues and improvement measures.

Mental Health Care Education as Part of Level-Specific Training

As part of annual level-specific training, industrial health staff give lectures about the importance of mental self-care and related techniques.

| (2) Care via Line of Command

Lion aims to create workplaces that foster health and vitality by enhancing workplace communication and conditions.

Education about Care via Line of Command

Care via line of command refers to efforts on the part of supervisors, including employees' direct supervisors (directly above them in the workplace line of command), to help reduce their subordinates' stress and consider their mental health.

Specifically, we provide training to all managers and supervisors at the time of their promotion to management level to assure that all managers and supervisors are equipped to respond naturally and provide necessary care at any time.

Support for Reinstatement of Employees on Leave Due to Mental Health Issues

When an employee returns to work after leave due to mental health difficulties, we hold a support meeting, at which the individual's boss, the workplace health management officer and industrial health staff coordinate to provide support. We proactively utilize Rework* to help employees reacclimate to the workplace after their return.

* Rework: Short for "Return to Work," this program is aimed at supporting the smooth return to work of individuals after leave due to mental illness or disorder.

| (3) Care by Internal Industrial Health Staff

At the Health Support Office, Lion's supervising industrial physician, a psychiatrist and an industrial health nurse are available for consultation at any time. When responding to a request for consultation, we ensure that adequate consideration is given to ensuring privacy so that employees can feel at ease asking for advice about issues or concerns they may have. In line with the diversification of work styles, consultation is available not only in person, but via email, phone or online video conference, as needed. Furthermore, we have set up a mental health help desk in an effort to direct employees to the consultation resources they need, when they need them, in a clear manner. A career counselor offers counseling related to individuals' careers. The Health Support Office provides support finely calibrated to employees' individual health circumstances, including providing feedback after health checkups and health consultations after stress level checks.

| (4) Care by External Specialists

We maintain agreements with external institutions so that employees can easily consult with them over the phone or receive counseling. In addition, depending on the specific circumstances, the Health Support Office may refer employees for specialist treatment and works in coordination with such providers.

Physical

Every year, we provide both health and dental checkups for all employees. The items covered by these checkups exceed the legal requirements for such checkups. When an employee's checkup results indicate that they require further examination, we strongly encourage them to get such examination and provide individual guidance. The percentage of employees undergoing health checkups in 2022 was 99.9%.

Health and Dental Checkup Items for Specific Needs

- In-depth checkups: For employees age 40 or above. 21 legally required items + 11 additional items.
- Gynecological examinations: Age-specific examination items.
- Hepatitis B and C tests: For employees age 40 and above.
- Prostate cancer (PSA) examinations: For men age 50 and above.
- Stomach cancer (ABC) examinations: For employees age 40 and above.
- Dental checkups: For all employees. Dental hygienists provide health guidance. Includes health guidance from a dental hygienist.

Specific Health Checkups^{*1} and Specific Health Guidance^{*2} Related to Metabolic Syndrome

Lion's Health Support Office coordinates with the Lion Health Insurance Society to implement specific health checkups and specific health guidance related to metabolic syndrome. We strive to ensure that these serve as effective and clear inducements to employees to improve living habits that cause lifestyle-related illnesses.

Portion of Lion Employees Subject to Specific Health Checkups and Specific Health Guidance^{*3} Classified as Having Metabolic Syndrome or Pre-Metabolic Syndrome

	Metabolic syndrome	Pre-metabolic syndrome
2015	13.4%	12.2%
2016	12.6%	13.1%
2017	15.0%	14.0%
2018	13.5%	14.2%
2019	13.4%	14.9%
2020	13.6%	14.7%
2021	14.3%	14.4%
2022	13.6%	12.1%

Reference: 2020 data on specific health checkups and specific health guidance implementation from the National Federation of Health Insurance Societies; of 1,125 health insurance societies. 15.1% of all said societies' members were classified as having metabolic syndrome and 13.1% as having pre-metabolic syndrome.

*1 Health checkups to identify individuals who need specific health guidance, aimed at reducing the number of individuals who have visceral obesity (metabolic syndrome) or pre-metabolic syndrome in order to prevent lifestyle-related diseases, which are involved in approximately 60% of deaths in Japan. Specific health checkups are conducted for all insured persons and their dependents between the ages of 40 and 74.

*2 Health guidance, including providing information, helping generate motivation and offering proactive support from specialized staff (health nurses, registered dietitians, etc.) for individuals who, based on the results of specific health checkups, are at high risk of developing lifestyle-related illnesses and for whom the onset of metabolic syndrome is expected to be preventable through lifestyle improvement.

*3 Employees ages 40 and over (who are enrolled in the Company's health insurance).

Furthermore, in collaboration with the Lion Foundation for Dental Health (LDH), Lion has elucidated the link between gum disease and metabolic syndrome. We will continue to reinforce initiatives aimed at the prevention of gum disease and metabolic syndrome among employees going forward.

| Proactive Encouragement and Guidance

Under the joint leadership of the Lion Health Insurance Society and the director of the Human Resources Development Center, individuals identified as requiring specific health guidance are encouraged to receive health guidance. We strive to offer a health guidance program that facilitates understanding of the goals of specific health guidance and what it comprises while making it easy for individuals to take action and enjoyable for them to continue their efforts.

In 2020, as an internal collaborative initiative, we provided Lion's Lactoferrin products and an email newsletter to employees who signed up, supporting their lifestyle improvement efforts. Furthermore, a dedicated registered dietitian from the Lion Health Insurance Society provided nutritional guidance internally. Through these and other efforts, Lion proactively provided support, working with professionals with abundant knowledge and experience from in and outside the Company.

| Support for Young High-Risk Individuals

With the aim of reducing the number of people needing specific health guidance, we examined changes in weight among our young employees. We found that the weights of 86% of male employees had increased 5% or more within the first 10 years of employment. A person's 30s are a time of major lifestyle changes for both men and women, and inappropriate living habits can lay the foundation for lifestyle-related illnesses.

Therefore, in 2022, we offered Lactoferrin and distributed materials effective for lifestyle improvement to raise health awareness and support lifestyle improvements among obese employees in their 30s. According to a survey, 60% of participants responded that following our actions they had since become more weight conscious, and the rate of satisfaction with the support offered was 78%. In 2023, in order to further increase the program's efficacy and support its continuation we are following up on the distribution of materials with periodic emails containing relevant information created in collaboration with a full-time dietitian from the Lion Health Insurance Society.

| Making Healthy Behavior a Habit (Health Point Initiative)

Lion added a health point system to the 2022 GENKI Navi to help make adopting healthy habits more positive and enjoyable for employees, even amid the restrictions implemented during the COVID-19 pandemic, a time filled with major lifestyle changes. In a post-enrollment survey, more than half of the 1,107 participants responded that they walked 1,000 more steps per day than usual during the system's implementation. The satisfaction rate among respondents was 73%.

We are planning to expand the initiative's duration in 2023, making adopting health living habits even more enjoyable for all of our employees by bringing the whole Company together through friendly competition between departments and other fun improvements.

Preventive Dentistry Program

Since the 1970s, Lion has implemented in-house dental checkups, brushing guidance, scaling and cleaning, education via lectures and other preventive dentistry measures.

In 2002, in cooperation with the Lion Health Insurance Society and LDH, Lion launched All Lion Oral Health Activity (ALOHA), aimed at increasing employees' health management abilities. ALOHA is based on practicing oral health management primarily through the provision of regular oral checkups to all employees and primary prevention as well as support to enhance employees' self-directed health management abilities. In accordance with three-year plans, we have been implementing a PDCA cycle for the dental health program and are currently implementing the ALOHA VII plan. The content of dental checkups varies depending on whether the individual is receiving professional dental care, placing greater emphasis on health guidance for those who are not in order to foster awareness of the importance of professional care.

Furthermore, we seek to increase the ratio of employees who use interdental cleaning goods and are able to effectively implement preventive dentistry through both self-care and professional care. Our main activities are shown below.

- Chairside health guidance during dental checkups
- Promotional campaign to promote the use of dental floss and interdental cleaning products (distribution of merchandise and educational videos)
- Information dissemination in conjunction with in-house promotional campaigns and measures
- Monitoring of oral function by age group via Salivary Multi Tests
- Recommending medical examinations for those at high risk of oral health problems
- Oral care education for mid-career hires (videos)



A dental checkup and health guidance with adequate infection prevention measures in place

Practicing Preventive Dentistry (Encouraging Professional Care)

Lion is proactively promoting preventive dentistry both within the Company and externally. In line with the belief that it is important that employees practice preventive dentistry, we offer limited-time financial incentives for receiving professional care to spur employees to find a primary care dental clinic where they can receive regular professional oral care.

Due to the COVID-19 pandemic, the campaign to encourage the use of professional care was suspended, but was resumed in April 2021. We are working to communicate the importance of receiving professional care and exploring creative ways of motivating employees to receive such care, such as distributing original logo stickers and digital backgrounds for electronic devices that can be used when working remotely.

Employee Food Service Committee

We regularly hold meetings of the employee food service committee to enhance the offerings at our employee cafeterias. In consideration of employee health, we strive to offer healthy, delicious meals. Furthermore, we display information on the calorie, sodium and sugar content of all menu items and seek ways to make meals healthier, such as offering reduced-sodium soy sauce.

Supporting Cultural and Athletic Activities

Lion supports employees' cultural and athletic activities with the aim of helping employees cultivate healthy minds and bodies and deepen friendly bonds.

Cultural clubs include Japanese tea ceremony and flower arrangement, while athletic clubs include yoga, Pilates, basketball, tennis, soccer and baseball. A total of approximately 700 employees take part in 52 such clubs nationwide. Club activities take place after work hours or on weekends and help employees foster healthy minds and bodies.

Providing Sports-Related Opportunities to Employees

To boost employee health, we are implementing a variety of initiatives aimed at supporting and encouraging sports-related activities and have become a member of the Sport in Life Consortium. For its efforts, Lion was recertified as a Sports Yell Company 2023 by the Japan Sports Agency (in Japan, “yell” refers to cheering and shouts of encouragement).

- Encouraging employees walk or bike to work
- Holding walking events
- Holding health discussions at Safety, Hygiene and Disaster Prevention Committee meetings
- Recommending cultural and athletic activities
- Sponsoring outside walking events



Creating Pleasant Work Environments

To ensure that employees can work in comfort, every two months, Lion measures indoor humidity, temperature, and concentrations of carbon monoxide and carbon dioxide, as well as dust at its workplaces.

We also regularly take measurements related to noise and lighting to confirm that there are no problems in our work environments.

Data Health Plan Initiatives

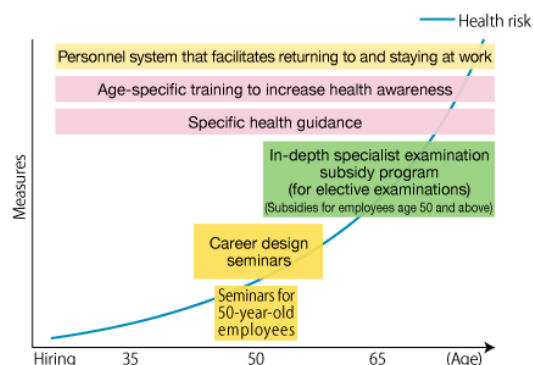
The government’s Japan Revitalization Strategy includes the key issue of “Extending the nation’s healthy life expectancy.” To address this issue, as part of “developing a new system concerning the promotion of preventive care and health management,” the strategy calls for all health insurance societies to analyze such data as health insurance claims to develop, announce, implement and evaluate effective and efficient “data health plans” in order to help maintain and improve the health of their members.

Lion has for some time been promoting initiatives in the area of data-based healthcare in cooperation with the Lion Health Insurance Society.

- Specific health guidance is the foundation of our initiatives in this area; we provide finely tailored health guidance and encourage employees to seek care after health checkups and provide health guidance using AI-generated health risk predictions
- We have implemented a wide variety of collaborative measures, such as a walking campaign

Awareness

Based on particular criteria, we are reinforcing specific measures designed to reflect the timing of changes in the body while working to improve health literacy.



Health Promotion Seminars for 50-Year-Old Employees

Since 2013, we have held the annual LIS21 Senior health promotion seminar for 50-year-old employees. To control health risks that rise significantly with age, bolstering self-directed health management skills is crucial. We also aim for the seminar to serve as an opportunity for employees at the landmark age of 50 (given increasingly long lifespans) to reflect on their circumstances and lives from multiple perspectives, including their health, work, and home life going forward, so that they can engage with their work with a renewed sense of vigor.

Although we had planned in-person group seminars for 2020 and 2021, they were postponed due to the COVID-19 pandemic. In 2022, we held online training that combined a seminar and a video session. There were 277 participants, a participation rate of 98.9%. The online seminar featured lectures on topics of high interest to people in their 50s, such as health, career and domestic life. The video session featured original content on specific health issues and measures, such as cancer prevention, the prevention of lifestyle-related illness, preventing frailty and oral health.

The training was very well-received. According to a survey, more than 90% of respondents felt the information was concrete and easy to understand and were satisfied with the seminar, which was designed from the perspective of someone their age.

LIS21 Senior Participation

	Participants	Participation rate
2015	140	87%
2016	152	76%
2017	100	68%
2018	95	68%
2019	120	85.7%
2020	240 ^{*1}	-
2021	277 ^{*2}	98.9%
2022		

*1 In 2020, the seminar was held in a video viewing format through the Lion Health Insurance Society

*2 Participants originally scheduled for 2021 are included in the figures for 2022

Initiatives for Specific Women's Health Issues

Company's researchers conscious of the issues involved with the advancement of women's roles in the workplace assembled and voluntarily established the Well-Being Lounge, a program to raise the level of health literacy needed to improve one's well-being. The Well-Being Lounge has since become a Company-wide program that is deepening our overall understanding of health issues specific to women.

In 2022, a total of about 300 people, both men and women, participated in the program. According to a survey, satisfaction with the program was reported by more than 90% of respondents and more than 80% reported an increase in their knowledge and awareness of the related issues. In collaboration with other companies, we also offered seminars on diet related to women's health and opportunities to learn about fertility issues and infertility treatments from individuals who have dealt with such subjects first-hand and those who support them.

In 2023, we plan to establish an external fertility and infertility treatment consultation service to promote the improvement of well-being.



Members of the Well-Being Lounge

[> News Release: Women's Health and Productivity Awards \[Japanese\]](#) 

Infection Countermeasures

COVID-19 Infection Prevention

In the early stages of the pandemic, we quickly set up a taskforce to prevent the spread of COVID-19. We concretely defined such terms as “suspected close contact” and “suspected infection.” Applying these definitions, when an employee was suspected of having an infection, we distributed PCR test kits to operating sites (or provided vouchers for testing off-site) to determine whether the employee was infected as soon as possible, minimizing the period of worry and the spread of infection. In June 2021, the taskforce swiftly made the decision to conduct workplace vaccinations. To date, we have conducted three rounds of workplace vaccination at two vaccination sites in eastern and western Japan.

Influenza Infection Prevention

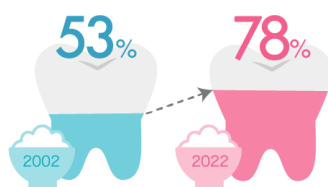
In preparation for the winter influenza season, Lion decided to bear the full cost of influenza vaccinations for employees and conducted vaccinations at its operating sites.

Lion Employee Preventive Dentistry Data

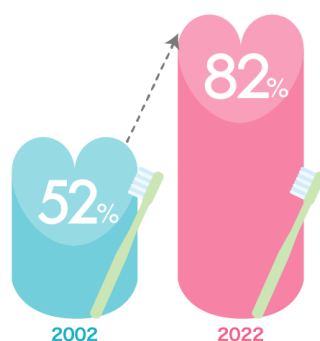
*Data on “GENKI” Action Subjects

Self-Care

Employees Who Brush Their Teeth After Lunch

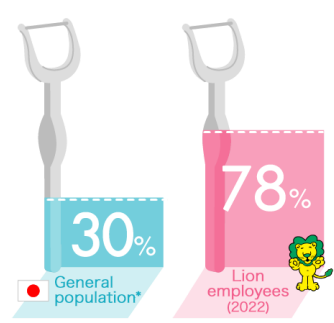


Employees Who See Toothbrushing* as Highly Important



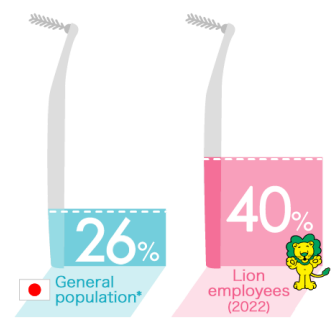
* Employees who brush at least twice a day for at least three minutes

Employees Who Use Dental Floss



* Fiscal 2014 comprehensive oral care survey (women ages 20–59)

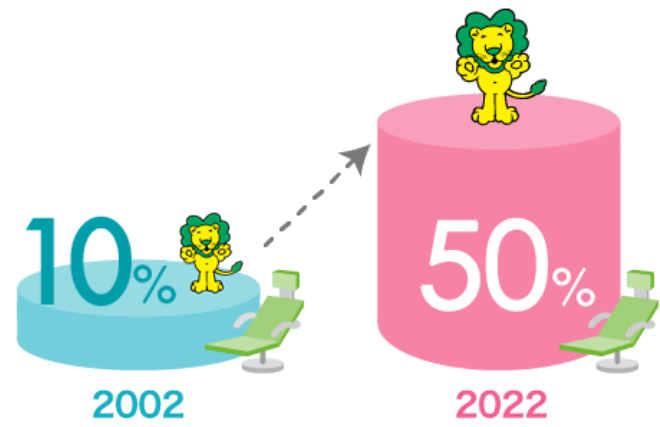
Employees Who Use Interdental Brushes



* Fiscal 2014 comprehensive oral care survey (women ages 20–59)

Professional Care

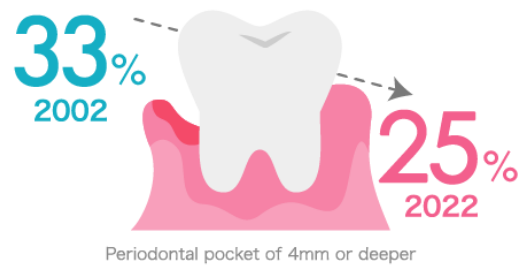
Employees Who Received Professional Care at a Dental Clinic During the Year*



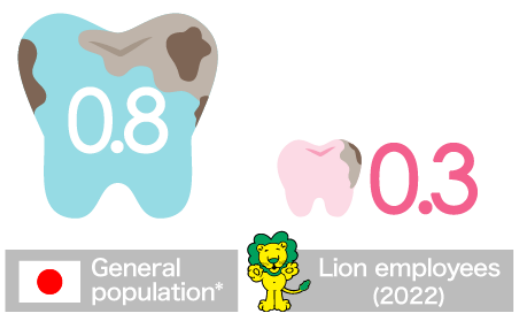
* Employees who went for regular cleanings at dental clinics during the year (excludes employees undergoing treatment)

Employee Oral Health Data

Proportion of Employees Suffering from Gum Disease

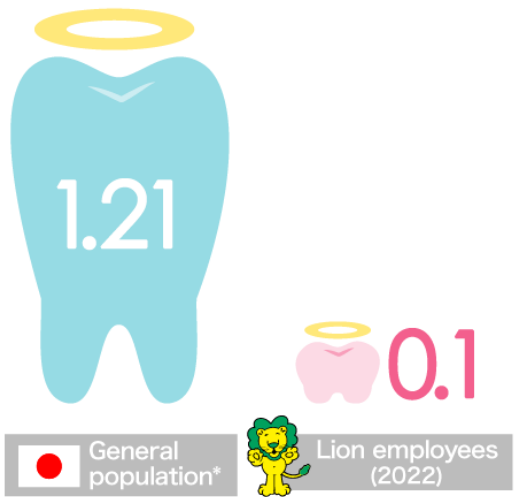


Average Number of Cavities Per Person



* 2016 Odontopathy Survey (Ministry of Health, Labour and Welfare) Ages 20–59

Average Number of Teeth Removed Per Person



* 2016 Odontopathy Survey (Ministry of Health, Labour and Welfare) Ages 20–59

Oral Care Seminars for Corporations

In order to promote preventive dentistry, we offer oral care seminars for outside companies in addition to our own.

[Click here for more details. \[Japanese\]](#)

Enhancing the Occupational Safety Management System

Sustainability Material Issue 7 Enhancing the Occupational Safety Management System



- ✓ Approach
- ✓ Establishment of the Safety, Health and Disaster Prevention Policy
- ✓ Implementation Framework
- ✓ Emergency Response
- ✓ Initiatives (Facility Safety/Occupational Safety)

Approach

We are taking steps to enhance our occupational safety and health management system throughout the Lion Group.

Driven by the fundamental principle that safety is its absolute top priority, Lion has added disaster prevention items to the Occupational Safety and Health Management System (OSHMS)* based on the guidelines of Japan's Ministry of Health, Labour and Welfare to establish a unique Safety, Hygiene and Disaster Prevention Management System. Since 2009, we have operated this system at all domestic Group companies, and since 2012 we have included internal audits in our efforts to improve the system's effectiveness. In addition, since 2014 we have been holding the Safety, Hygiene and Disaster Prevention Meeting (originally launched in 1992 as the Environmental Security Conference). We work in accordance with Lion's unique OSHMS to reduce potential hazards and risks, continuously maintain work environments, create safer workplace environments and build related systems.

* A system for the systematic and organized operation and management of health and safety activities.

Establishment of the Safety, Health and Disaster Prevention Policy (Occupational Health and Safety Policy)

Lion has established the AL Safety, Health, and Disaster Prevention Policy to define our commitment to ensuring the safety and health of all employees of the Lion Group and establishing a comfortable and pleasant work environment. This policy applies to all employees of domestic Group companies and is reviewed and updated every January.

Implementation Framework

Twice a year, the Company holds the Safety, Hygiene and Disaster Prevention Meeting. Chaired by a member of top management (Director Fumitomo Noritake), the meetings deliberate on Company-wide measures to ensure facility safety and occupational safety (including work environment improvement) as well as hygiene (health problem prevention and mental health maintenance), and disaster prevention (emergency response) measures and coordinate ongoing initiatives aimed at thoroughly eradicating risk.

Each operating site and domestic Group company has established a Safety, Health and Disaster Prevention Committee based on the Industrial Safety and Health Act and while effectively utilizing this committee, reflects the opinions of all employees within each operating site to resolve issues, including problems specific to each site.

Our domestic companies actively support overseas Group companies in their safety, health and disaster prevention activities. In 2018, we established a Safety and Disaster Prevention Promotion Department directly below the management level, further strengthening the Lion Group's occupational health, safety and disaster prevention management system.

Top Safety Audits

Lion implements top safety audits of domestic production division plants, with the chair of the Safety, Health and Disaster Prevention Meeting serving as the responsible officer. These audits, conducted from an objective standpoint, mainly examine systematically whether appropriate mechanisms for safety and disaster prevention are in place, whether Lion's Safety, Health and Disaster Management System is being operated properly, and whether the level of safety and disaster management is improving. By providing guidance and suggestions related to eliminating accidents and disasters through top safety audits, Lion works to further increase the safety of each plant and create environments in which employees can work with peace of mind and safety.



Top safety audits at the Akashi Plant
led by Meeting Chairman Noritake (2022)

Emergency Response

The Company has created detailed manuals and plans of action on how to respond in the event of natural disasters, such as large-scale earthquakes. In addition to these plans, which differ depending on the severity and scale of the disaster as well as the extent of damage incurred, the Company conducts Company-wide and individual disaster drills at each operating site.

For larger disasters, a disaster response headquarters has been established to take action. A remote disaster response headquarters has also been established in light of the rising use of remote work in the wake of the COVID-19 pandemic as well as the possibility of a disaster occurring overnight or on a holiday and the challenges of maintaining a facility with all relevant members physically in attendance. Accordingly, we have been conducting joint disaster prevention drills and remote disaster response headquarters activities since 2020.

We will further upgrade our disaster response system and continue to reinforce our disaster prevention activities in anticipation of an increasing frequency and severity of natural disasters and the further diversification of work styles.

Initiatives (Facility Safety/Occupational Safety)

Facility Safety

In 2022, one abnormality^{*1}, a leak, occurred just as it had in 2021. While equipment failure was partially to blame, it was also due in part to human error resulting in incorrect equipment settings. The cause has been investigated by both the head office and the affected department, and corrective action has been taken, with all production plants making improvements based on investigations of similar problems.

As part of our ongoing facility safety initiatives, we utilize information on plant accidents that have occurred at other companies to strengthen our safety management and maintain the skills, techniques and awareness of our operators. Serious types of accidents that occur within facilities that handle dangerous substances include fires/explosions and leaks. To prevent these, since 2016, we have provided ongoing basic education on static electricity, which can ignite fires, as well as periodic education at plants about corrosion, the main cause of leaks, to enhance awareness and knowledge.

In addition, to further enhance corrosion prevention-related efforts and elucidate the causes of facility corrosion issues at plants, we engage in technological exchanges with specialized outside institutions.

Furthermore, we implement level-specific education for facility operators to foster awareness and knowledge regarding change management^{*2} as part of efforts to reinforce management of facility safety.

To address facility aging, we designate standards for routine inspections and maintenance by degree of importance and carry them out accordingly.

Going forward, we will continue working to reinforce technological capabilities related to facility safety, including systematic human resource development, from a medium- to long-term perspective.

^{*1} Fires, explosions, leaks, etc.

^{*2} Management activities that prevent risks associated with changes in facilities or operating conditions.

Facility Abnormalities				
2018	2019	2020	2021	2022
0	0	0	1	1

Occupational Safety

In 2022, the number of labor-related accidents for the domestic Group was 14, excluding cases that occurred during commutes to work (of these, five accidents led to lost work time). Analysis of the causes of these accidents categorized them as follows: five falls, five collisions, three cuts or punctures and one instance of heatstroke. The main cause of these accidents appeared to be a lack of caution (such as taking shortcuts or deviating from rules) attributable to employees' overfamiliarity with operations or the carelessness of unskilled workers. When occupational accidents occur, the department in which the accident took place investigates the cause and takes measures to prevent recurrence, and the Safety and Disaster Prevention Department ensures that corrective actions are taken and that the entire Company is aware of the situation.

To prevent occupational accidents, it is crucial to enhance our safety management system and heighten every members' awareness of occupational safety. In addition to safety awareness education via Company-wide internal e-learning and implementing risk simulation training using conventional machinery, Lion uses digital technology to provide hazard sensitivity training, such as VR risk simulation training, at our plants and research institutes.

To reinforce safety culture, we also hold safety training development programs for managers and key persons in the workplace, including Plant Top Safety Training and Workplace Safety Training for Key Persons at all production division plants.



Participation in the 2022 Company-wide Internal e-learning Course

Eligible employees	Participation rate
4,306	97.8%

Employees who Participated in Risk Simulation Training (Safety Training) in 2021 (Internal education)

Chiba Plant	Odawara Plant	Osaka Plant	Akashi Plant	Hirai Research Center	Odawara Research Center	Total
81	127	29	78	134	68	517



Risk simulation training utilizing on-site machinery is implemented at each plant

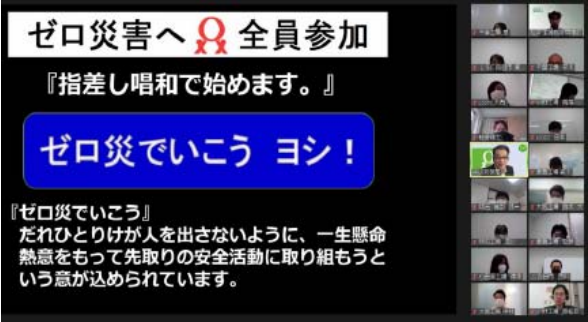


Risk simulation training utilizing VR technology (Second left: Chiba Plant; right, at a research center in Hirai)

Workplace Safety Training for Key Persons

Plant Top Safety Training	Workplace Safety Training for Key Persons
32	16

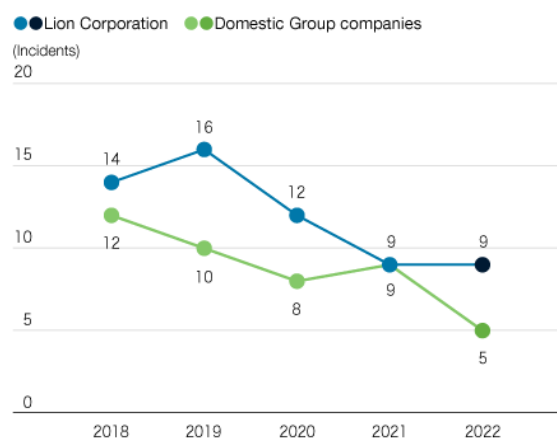
Targeting plantmanagers and key persons in 2022



Participants in the remote 2022 Workplace Safety Level Improvement Training for Key Persons

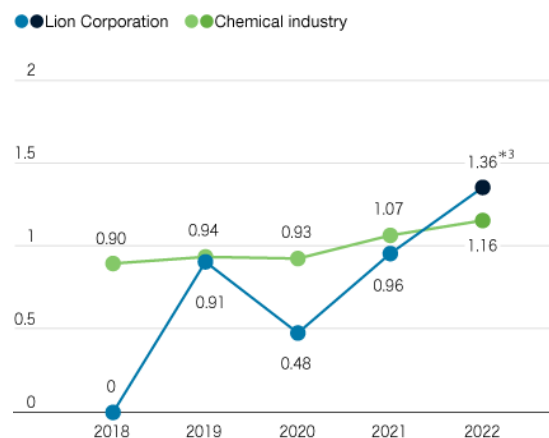
Occupational Accidents Incidents

Occupational Accidents^{*1}



*1 Excludes accidents that occurred during commutes to work

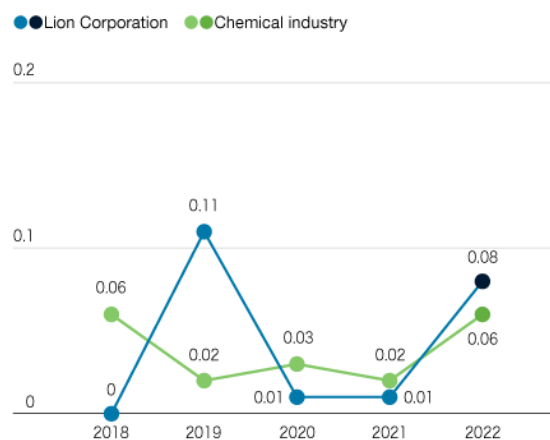
Production Division
Occupational Accident Frequency^{*2}



*2 Rate of accidents leading to death, lost work time of one day or more, or loss of bodily function without loss of work time

*3 Third-party verification

Production Division
Occupational Accident Severity Rate^{*4}



*4 Severity rate: Lost work days / Total work hours (thousands of hours)

Cumulative Accident-Free Work Hours at the 2022 Year-End (Thousands of Hours)

Research and development divisions		Production divisions			
Hirai	Odawara	Chiba	Odawara	Osaka	Akashi
6,251	4,503	185	1,977	534	2,845

Number of fatalities due to occupational accidents^{*5}

	2018	2019	2020	2021	2022
Employee (Lion Corporation)	0	0	0	0	0 ^{*3}
Employee (Domestic Group Companies)	0	0	0	0	1 ^{*3}

^{*5} Including dispatched employees and part-time employees

^{*3} Third-party verification

Global Initiatives

In 2022, representatives from the Safety and Disaster Prevention Department and overseas managerial divisions visited PT. Lion Wings (Indonesia) to provide direct guidance on the improvement of insecure areas and disaster prevention training. Due to the COVID-19 pandemic, we had been striving to provide this and other overseas Group companies with timely advice and guidance through remote meetings and internal e-mails. Going forward, we will continue to provide guidance and support according to the situation at each company and strive to reinforce the Lion Group's safety, health and disaster prevention systems.

Overseas companies are also continuing to strengthen hygiene protocols (temperature checks, hand washing, disinfection, and wearing masks) aimed at preventing COVID-19 infection, which is having a synergistic effect with occupational safety measures.



An example of pointing and calling in Indonesia



A disaster drill in Indonesia

AL Safety Exchange Conference

To strengthen the safety, health and disaster prevention systems at All Lion (AL), we hold a safety exchange conference that brings together safety managers from overseas and domestic production division plants. Although the 2022 conference was also held remotely due to COVID-19, a total of 64 participants, 27 from overseas and 37 from Japan, exchanged opinions and information on safety and disaster management and the challenges they face. We are working to strengthen cooperation at AL and to improve the level of safety throughout the Group by, for example, introducing best practices at our domestic plants. We will continue to hold regular meetings to improve our safety, health and disaster prevention activities, while working to create a safe and secure work environment for the entire Group.

Participating Overseas Group Companies

- Lion Corporation (Thailand) Ltd.
- Southern Lion Sdn. Bhd.
- PT. Lion Wings
- Lion Kallol Limited
- Lion Corporation (Korea)
- Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.

Labor-Management Relations

- ✓ Promoting Amicable Labor-Management Relations
- ✓ The Lion Workers' Union
- ✓ Labor-Management Relations Data

Promoting Amicable Labor-Management Relations

Approach

Lion executes labor agreements with the Lion Workers' Union to promote sound labor-management relations based on mutual understanding and trust. As it does so, the Company adheres to the Lion Group Charter for Corporate Behavior, which is based on an understanding of the social mission and responsibilities of the Company. Thus, in cooperation with its workers union, the Company works to grow its business and maintain and improve the working conditions of union members.

The agreements provide that: the Company shall recognize the freedom of union members to engage in lawful union activities; the Company shall not treat union members disadvantageously by reason thereof; and the Company and the union shall engage in labor-management meetings on a regular basis to consult with each other as equals.

Operating under a union shop agreement,* Lion endeavors to build amicable labor-management relations, in which employees and management proactively conduct such activities as reporting on business conditions and exchanging opinions about the working environment at labor-management meetings. At overseas Group companies, we actively maintain communication between employees and management in order to create a better work environment through the labor-management meetings and strive to establish and maintain sound labor-management relationships.

* A labor agreement in which workers are employed by a company on condition of becoming a member of a specific labor union.



A hybrid online/in-person labor-management meeting

The Lion Workers' Union

Approach

The mission of the Lion Workers' Union is to pursue the happiness and well-being of its members. To that end, the union seeks to maintain and improve the quality of its members' work environments and standards of living and to contribute to the independent growth of each individual to ensure a secure future. Through its activities, the union aims to increase the professional satisfaction of its members, in turn contributing to the development and growth of the Company. To fulfill its mission and principles, the Lion Workers' Union has established a medium- to long-term vision that it has been implementing since August 2015.

Lion Corporation (Korea) Receives the Prime Minister's Award for Labor-Management Culture

The Labor-Management Culture award is given by the government of South Korea (the Ministry of Employment and Labor) to companies that have built and firmly established cooperative labor-management relations. It is one of the highest awards in the field of labor in South Korea.

Lion Corporation (Korea) ("LCK") received the Prime Minister's Award for Labor-Management Culture in 2017 in recognition of its initiatives aimed at building good labor-management relations.

The main initiatives of LCK recognized by the prize were as follows.

- Held labor-management talks four times a year to discuss work environments and implemented approximately 60% of the improvements suggested at these talks
- Treated non-regular employees (such as temporary and contract employees) on par with regular employees in terms of employee benefits and opportunities to participate in events
- With "fulfilling a spirit of love" and "people-centered management" as the foundations of its personnel policy, gave non-regular employees demonstrating excellent work attitudes and abilities priority when filling regular employee positions
- Designated a monthly volunteer day, with employees actively participating in social contribution activities

> Activities at Lion Corporation (Korea)

Labor-Management Relations Data

	Scope	2020	2021	2022
Ratio of companies with an independent trade union or collective bargaining agreements	Lion Group	86.4%	86.4%	86.4%
Ratio of employees represented by an independent trade unions or covered by collective bargaining agreements	Lion Corporation (including employees on loan)	66.2%	77.9%	65.9%
	Lion Group	73.4%	75.1%	72.9%

Going forward, we will continue to advance initiatives aimed at building better labor-management relations.